

Hampshire Fire and Rescue Authority

Human Resources Committee

26 January 2017

Item: 9

HFRS Pay Policy Statement (2017/2018)

Report of the Lead HR Business Partner

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1. Summary

- 1.1 Relevant authorities are required by section 31(1) of the Localism Act 2011 (openness and accountability in local pay) to prepare a Pay Policy Statement. Hampshire Fire and Rescue Service (HFRS) falls within the definition of a relevant authority and as such is required to prepare and publish a Pay Policy Statement.
- 1.2 Under the terms of the Localism Act, the Pay Policy Statement must be considered at a full meeting of the Hampshire Fire and Rescue Authority (HFRA) and cannot be delegated to any sub-committee. Therefore, if supported by the HR Committee, the paper and attached pages will be presented at the next available HFRA meeting in order to meet statutory requirements in the coming financial year.
- 1.3 The Pay Policy Statement attached at Appendix A is correct at the time of writing for the 2017/18 financial year. It will need to be updated throughout the financial year if there is a pay review/award as this will change the details of the financial content and the corresponding assessment of multiples.

2. Recommendation

- 2.1 The HR Committee **RECOMMENDS** to the Hampshire Fire and Rescue Authority (HFRA) that the Pay Policy Statement be approved.

3. Background and Introduction

- 3.1 Increased transparency about how taxpayers money is used, including in the pay and reward of public sector staff, is now a legislated requirement.
- 3.2 A Pay Policy Statement for a financial year must set out the authority's policies for the financial year relating to:
 - the remuneration of its chief officers
 - remuneration of chief officers on recruitment
 - the remuneration of its lowest-paid employees, and the relationship between the remuneration of its chief officers, and the remuneration of its employees who are not chief officers
 - increases and additions to remuneration for each chief officer
 - the use of performance-related pay for chief officers
 - the use of bonuses for chief officers

- the approach to the payment of chief officers on their ceasing to hold office under or to be employed by the authority, and the publication of and access to information relating to remuneration of chief officers
- the definition of “lowest paid employees” adopted by the authority for the purposes of the statement, and the authority’s reasons for adopting that definition.

3.3 For information the definition of ‘Chief Officers’ as set out in the Localism Act, is not limited to Heads of Paid Service or statutory Chief Officers. It also includes those who report directly to them, such as the Deputy Chief Fire Officer and Director of Professional Services.

3.4 The Act sets out the minimum information authorities are required to include in the Pay Policy Statements. Authorities can consider extending this pending their own structure. Therefore Hampshire Fire and Rescue Services (HFRS) has extended its Pay Policy Statement to include all those roles at Director level.

3.5 Approved Pay Policy Statements must be published on Hampshire Fire and Rescue Service’s website as soon as is reasonably practicable after they are approved or amended.

4. People Impact Assessment

4.1 The proposals in this report are considered compatible with the provisions of the equality and human rights legislation.

5. Resource Implications

5.1 There is staff time to prepare figures and reports but no significant resource implications are identified.

6. Back ground papers

6.1 The following documents disclose the facts or matters on which this report, or an important part of it, is based and has been relied upon to a material extent in the preparation of this report:

“None”

Note: The list excludes: (1) published works; and (2) documents that disclose exempt or confidential information defined in the Act.

APPENDIX A

Hampshire Fire and Rescue Service

Pay Policy Statement 2017/18

1. Introduction

The purpose of this Pay Policy Statement is to set out Hampshire Fire and Rescue Service's pay policies relating to its workforce for the financial year 2017/18, including the remuneration of its Chief Officers and lowest paid employees.

Under the terms of the Localism Act 2011, the Pay Policy Statement must be considered at a full meeting of the Hampshire Fire and Rescue Authority (HFRA) and cannot be delegated to any sub-committee.

2. Pay Framework

Pay for all employees of HFRS is determined by the Local Government Employers with the Employers' Sides of the National Joint Council for Local Authority Fire and Rescue Services, the Middle Managers' Negotiating Body, and the NJC for Brigade Managers of Local Authority Fire and Rescue Services, the Hampshire Fire & Rescue Authority locally and representative bodies nationally. Terms and conditions of employment for HFRS employees are set nationally with any variations negotiated and agreed locally.

The HFRS pay framework for non-operational support staff was implemented in March 2002 in line with National guidance, with the grade for each role being determined by a consistent job evaluation process. Pay awards for non-uniformed support employees are determined by the outcome of Local Government Employers' negotiations with the Trade Unions and are applied from April each year.

The HFRS pay framework for operational uniformed staff was implemented in December 2003 following a rank-to-role exercise in line with National guidance, with the grade for each role being determined by a consistent job evaluation process. Pay awards for uniformed operational employees are determined by the outcome of Local Government Employers' negotiations with the Trade Unions and are applied from July each year.

3. Chief Officer Remuneration

With respect to Chief Officers' pay, this is agreed by the Hampshire Fire & Rescue Authority (HFRA). Taking into account relevant available information, including the salaries of Chief Officers in other comparable Fire & Rescue Services nationally, Chief Officer pay awards are based on NJC recommendations, together with an evaluation of their performance in role as determined locally with the HFRA. To support the annual review, information may be provided on inflation, earnings growth and any significant considerations from elsewhere in the public sector. The details of HFRS' Chief Officers pay is outlined in Appendix B.

The definition of Chief Officers (as set out in section 43(2)) is not limited to Heads of Paid Service or statutory Chief Officers. It also includes those who report directly to them, such as the Deputy Chief Fire Officer and Director of Professional Services. Senior employees at Director level and above receive remuneration based on direct percentage proportions of the Chief Officer's pay and hence any agreed Chief Officer pay award (as described above) will be reflected in the remuneration of these employees. Therefore, all roles at Director level in

HFRS are covered by the Pay Policy Statement and details of their pay is also outlined in Appendix 1.

Chief Officer pay may be varied during a financial year (e.g. if the incumbent post holder were to leave and a replacement be recruited). Any changes to remuneration, (whether increases or decreases), in this situation, (or for any other legitimate reason) must be approved by the HFRA. The effects of any changes cascading from any change to other existing Director level staff and above would also require review and HFRA approval at that time.

4. Remuneration of the lowest paid employee

HFRS define the “lowest paid employee” as that post holder receiving the lowest (FTE) annual salary (inclusive of employer pension contributions if applicable). This definition has been chosen as the most representative and equitable method for comparison with Chief Officer remuneration.

The lowest paid employees receive payment at Grade A of the HFRS pay framework. The salary at this grade is £13,871pa equivalent to £7.00 per hour. This is less than the NLW of £7.20 per hour which is introduced from 1 April 2016 for workers aged 25 and over. However, the only roles that are paid at Grade A are apprentices, all of whom are under 25 and therefore are not eligible to receive the NLW.

The average salary of an HFRS non-operational fte post is £30,385. This includes all non-operational support posts (37 hours per week) but incident command unit employees whose earnings vary considerably based on levels of operational activity and the volume of incidents to which they respond.

The average salary of an HFRS operational fte post is £38,156. This includes all operational posts and Control (42 hours per week) but excludes retained firefighters whose earning vary considerably based on levels of operational activity and the volume of incidents to which they respond. The employer pension contribution for grey book salary is based on membership of the 2015 Firefighters Pension Scheme with employer contributions of 14.3%.

5. Relationship between remuneration of Chief Officers and lowest paid employees

The combined salaries for Director level roles represents 1.79% total pay bill. The combined salaries of the lowest paid employees represents 0.0009% the HFRS total pay bill.

The remuneration of the Chief Officer represents a multiple of 10.51 of the salary at Grade A which is the lowest paid employees’ salary. The relationship to average non operational staff salary is a multiple of 7 and to average operational staff is a multiple of 5. HFRS relies on the transparency and equality of application in the operational and non-operational job evaluation processes to achieve equitable pay rates for all roles. As such, there is no specific policy to set or achieve a particular pay multiple in relation to Chief Officer remuneration completed to the pay levels of other staff.

6. Policies relating to remuneration (including pensions)

Pension scheme employer contributions are detailed on Appendix 1 as part of Director level salary costs. There are no special arrangements for Chief Officers in relation to pensions. All

staff have the option to join the pension scheme relevant to their role and benefits under each scheme are based on contributions, final salary and length of time in the scheme.

Operational employees joining HFRS are eligible to join the New Firefighters Pension Scheme (NFPS). Existing operational employees, including Chief Officers may be members of the previously available Firefighters Pensions Scheme (FPS) or the NFPS. Non-operational employees are eligible to join the Local Government Pension Scheme (LGPS) as are some more senior operational employees who have taken re-employment after retiring from the FPS.

HFRS does not award any employees or Chief Officers with additional payments based on their performance or pay any bonuses. Similarly, no special arrangements are routinely made to employees or Chief Officers on leaving HFRS. The management of redundancy in HFRS is detailed in Service Order 1/33 - Redundancy Procedure.

HFRS does not permit the automatic re-engagement of staff after retirement. This policy is reviewed every two years and will next be reconsidered in the autumn of 2017.

APPENDIX B

Hampshire Fire and Rescue Service - Pay Policy Statement 2017/18

Salary details of Director level roles in Hampshire Fire and Rescue Service

Role	Salary at 1.4.17	Pension contribution*	Total Remuneration including pension contributions
	£	£	£
Chief Officer	£153,696.60	£33,352.16	£187,048.76
Director of Service Delivery (Deputy Chief Officer)	£122,957.40	£17,582.91	£140,540.31
Head of Response (Assistant Chief Officer)	£115,272.48	£25,014.13	£140,286.61
Head of Community Safety (Assistant Chief Officer)	£115,272.00	£15,100.63	£130,372.63
Director of Professional Services	£107,587.68	£14,093.99	£121,681.67
Director of Blue Light Collaboration (Assistant Chief Officer)	£115,272.48	£16,483.96	£131,756.44
Officer seconded to London	£153,696.60	£33,352.16	£187,048.76

*Figures based on actual employers pension cost for each based on the officers actual membership of a particular scheme – including 1992 Fire Scheme employers cost of 21.7%/Fire CARE scheme employers cost of 14.3%/LGPS employer cost of 13.1%.